

Report to Council

**Agenda
Item:

15(iv)**

Meeting Date: 14 July 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD.05/20
 Within Policy and Budget Framework YES
 Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2019/20
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD.03/20

Purpose / Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B).

Recommendations:

That this report be approved.

Tracking

Executive:	22 June 2020
Scrutiny:	BTSP 23 July 2020
Audit Committee:	30 July 2020 (for information only)
Council:	14 July 2020

Report to Executive

Agenda
Item:

Meeting Date: 22 June 2020
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD.05/20
 Within Policy and Budget Framework YES
 Public / Private Public

Title: TREASURY MANAGEMENT OUTTURN 2019/20
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD 03/20

Purpose / Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B).

Recommendations:

That this report be received and recommended to Council for approval.

Tracking

Executive:	22 June 2020
Scrutiny:	BTSP 23 July 2020
Audit Committee:	30 July 2020 (for information only)
Council:	14 July 2020

1. BACKGROUND

- 1.1 The purpose of this report is to inform Members on various Treasury Management issues.
- 1.2 **Appendix A1** to this report sets out a final report on Treasury Management in 2019/20 as required by the CIPFA Code of Practice on Treasury Management. **Appendix A2** highlights some performance measures and **Appendix A3** shows the final prudential indicators for 2019/20.
- 1.3 **Appendices B1-B3** details the schedule of Treasury Transactions for the period 1 January 2020 – 31 March 2020.

2. RISKS

- 2.1 The Council's Treasury Management function is responsible for investing the Council's surplus cash balances and managing cash flows appropriately. The Treasury Management Strategy Statement and the Treasury Management Practices are completed and approved in line with the CIPFA Code and include appropriate mechanisms for dealing with the Council's investments and borrowing needs.

3. CONSULTATION

- 3.1 Business and Transformation Scrutiny Panel will consider the report on 23 July 2020 and the Audit Committee will do so on 30 July 2020.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 4.1 That this report be received and recommended to Council for approval.

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 5.1 To ensure that the Council's investments are in line with appropriate policies including the Treasury Management Strategy Statement.

Contact Officer: Emma Gillespie **Ext:** 7289

Appendices attached to report:
Appendix A1 – Treasury Management 2019/2020
Appendix A2 – Performance Statistics
Appendix A3 – Prudential Code and Prudential Borrowing
Appendix B1 – Treasury Transactions
Appendix B2 – Investment Transactions
Appendix B3 – Outstanding Investments

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

Legal – Treasury Management activities are delegated to the Corporate Director of Finance and Resources and Financial Procedure Rule 3.19 requires that she prepare an annual report on the topic. This Report fulfils that obligation.

Property Services – Not applicable

Finance – Included in the report

Equality - This report raises no explicit issues relating to the public sector Equality Duty

Information Governance – No implications

TREASURY MANAGEMENT 2019/20

1. INTRODUCTION

- 1.1 The CIPFA Code of Practice on Treasury Management (2019) requires that full Council should receive both a mid-term and an annual report on treasury management activities during the year. This report on the treasury function during 2019/20, while being first presented to the Executive, is therefore required to have the approval of full Council in order to comply with the CIPFA Code.

- 1.2 Regular reports on treasury transactions are presented to the Executive while an interim report on treasury management in 2019/20 was presented in November 2019 (RD31/19). The purpose of this report is to complete the process of accounting for the treasury function in the last financial year in compliance with the Code. Any funding and other financing transactions are detailed and placed in the context of money market conditions in 2019/20 while the City Council’s investment activities are also discussed.

Separate papers (**A2** and **A3**) provide information on performance in 2019/20 and on the Prudential Code on local authority borrowing.

2. MONEY MARKET CONDITIONS

- 2.1 The following table sets out the levels of bank base rate in 2019/20.

	%	
1 April 2019	0.75	Average = 0.72%
11 March 2020	0.25	(2018/19= 0.67%)
19 March 2020	0.10	

- 2.2 The financial year began with bank rate at 0.75% however, the rate was reduced twice in March 2020 to 0.25% (11th) and then to 0.10% (19th).

- 2.3 The pattern of long-term borrowing rates in 2019/20 can be gauged by the following table of Public Works Loans Board (PWLB) fixed rate maturity loans during the year. These are the rates cited in the regular Treasury Transactions reports and relate to the type of loan that historically has most usually been taken up by the City Council.

	1 Yr %	10 Yr %	25 Yr %
1 April 2019	1.66	2.08	2.61
31 March 2020	2.10	2.37	2.85
Highest Rate in 2019/20	2.67	2.99	3.45
Lowest Rate in 2019/20	1.37	1.35	1.93
Span of Rates	1.30	1.64	1.52

3. LONG TERM FUNDING

3.1 The Prudential Code on local authority borrowing came into operation on 1 April 2004. The principal effect of the Code was to abolish most central government control of local authority borrowing, a principle that has been a cornerstone of local government finance for over a century. Instead, authorities must follow the guidance laid down in the Code and they will be expected to comply with its requirements. These cover not just borrowing but any decision that determines whether the capital investment plans of an authority are affordable, prudent and sustainable. The Code is discussed in more detail in **Appendix A3**.

3.2 The City Council entered into two PWLB long-term loans (totalling £14m) during 2019/20 to fund elements of its capital programme, supplementing funds drawn from the authority's own resources, stock of capital receipts, and from external grants and contributions.

4. DEBT RESCHEDULING

4.1 The City Council's long-term loans portfolio at the end of March 2020 consisted of the two new PWLB loans taken out at £9m and £5m. Principal on both loans will be repaid each year with final repayments due in 2059 & 2039 respectively.

5. LOANS OUTSTANDING

5.1 Set out below is a schedule of outstanding external loans as at 31 March 2020.

	£
Secured Loan Stock	15,000,000
Public Works Loans Board (PWLB)	13,762,500
Short Term Loans	<u>12,800</u>
Total Loans Outstanding	<u>£28,775,300</u>

The £15m stock issue, placed in 1995, was transferred to short term borrowing at the end of March 2020 and this has now been fully repaid in May 2020.

6. INVESTMENT TRANSACTIONS

- 6.1 As is apparent from the regular 'Treasury Transactions' reports, the City Council continues to be a frequent investor in the short-term money market and the interest earned from these transactions makes a valuable contribution to the overall level of the Council's revenue budget. Investments are placed only with the institutions that fall within the guidelines of the Council's approved Investment Strategy and a full schedule of investments at 31 March 2020 is set out in **Appendix B3**.
- 6.2 The total at that date (£29.713m) can be compared with an average figure in 2019/20 of over £34.913m and a peak amount of over £48.403m. The closing balance in 2018/19 was £19.535m.
- 6.3 The Investment Strategy for 2019/20 embraced a mixture of longer-term investments and monies lent out for shorter periods to meet anticipated cash flow needs e.g. grant and precept payment dates. Changes were made to specific counter-party limits in 2019/20 and these were detailed in report RD25-19, approved by Council in September 2019.
- 6.4 Investment income in 2019/20 at £442,073 was in line with the original estimate of £442,900. Actual investment rates obtained from banks and building society investments in 2019/20 were generally below expectations when the budget was set however, this was mitigated by the outturn on average cash balances being higher than expected. The average yield on the Council's investments held excluding the property fund in 2019/20 was 0.96%. This is still a favourable return considering the position of bank base rates and compares well against other local authorities. This performance was assisted by a significant proportion of investments being placed for longer terms of up to a year and the use of deposit accounts for shorter dated cash requirements.
- 6.5 At 31 March the investment in the CCLA Property Fund was yielding a return of 4.41%. Dividends received in 2019/20 totalled £146,930.56. The investment has also grown in capital value since the investment was placed in July 2014 from £2,836,893 (After entry costs of £163,107) to £3,312,995 (an increase of £476,102). The capital value for 2019/20 decreased by £122,778. The overall increase in value offsets the initial entry costs but is still subject to fluctuations in the overall performance of the fund. However, the fund is continuing to grow with more local authorities taking the decision to invest.

7 INVESTMENT STRATEGY 2019/20

- 7.1 The Investment Strategy must be agreed before the start of each financial year and the 2020/21 Strategy was approved by Council on 4 February 2020. While the principles of the Strategy remain fundamentally sound, any amendments to the current schedule of investments, if agreed by the Executive, must be approved by Council.

8. PERFORMANCE MANAGEMENT

- 8.1 The CIPFA Code places an increased emphasis on performance monitoring in an attempt to measure the efficiency of the treasury function. With treasury management, the difficulty in assessing performance arises from the very different circumstances of each authority and the fact that, for example, a long-term borrowing decision can affect an authority's measured performance for many years to come. Borrowing decisions invariably impact on investment decisions since, in cash flow terms, one can be the mirror image of the other.
- 8.2 **Appendix A2** sets out some performance indicators in respect of both loans and investments outturn for 2019/20 and 2018/19.

9. TREASURY CONSULTANCY SERVICE (TCS)

- 9.1 The City Council continues to employ Link Asset Services as its treasury management consultants. Link provide daily bulletins on both borrowing and investment issues and this helps advise both the investment and funding decisions that are taken by the Council.

10 CONCLUSIONS

- 10.1 At the end of March 2020, the City Council has substantial long-term loans including £14m new PWLB borrowing and the £15m Stock Issue. The stock issue has since been fully repaid in May 2020. The remaining loans will be paid back in equal instalments of principal over the lifetime of the loan. The Medium-Term Financial Plan anticipates external borrowing to support the Council's capital programme in 2020/21 and this will be further assessed during future planning of the MTFP during the course of this year. The focus of the authority's treasury management activities also remains very much on the investment aspect of the function.
- 10.2 Investment conditions were very similar to as they were in 2018/19, except for the March decreases in bank base which had minimal effect on investment returns in 2019/20. The impact of the reductions will however have an increased effect in 2020/21. The City Council's investment interest was slightly up on the previous year, the performance achieved was slightly better than bank base rate levels. For this authority, as indeed for most others, reduction in investment income poses a very significant financial challenge. This has been alleviated somewhat by the decision to invest in the CCLA property fund which has performed well since initial investment.
- 10.3 The outlook for interest rates in the UK remains uncertain but there is a general expectation that bank base rates will not start to rise again until 2022.

CITY OF CARLISLEPERFORMANCE MEASUREMENT STATISTICS1. LOANS MANAGEMENT

	2019/20 %	2018/19 %
Average External Debt Rate - Carlisle	6.17	8.78

Comment

Average loan debt statistics tend to reflect borrowing decisions taken over a period of many years.

2. INVESTMENT MANAGEMENT (Excl. Property Fund)

	2019/20 %	2018/19 %
Average Return in Year - Carlisle	0.96	0.99
Average Bank Base Rate in Year	0.72	0.67

Comment

The City Council's rate of return in 2019/20 on its investments was above that obtained in 2018/19; this was in line with expectations when the budget was originally set.

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

- 1.1 The Local Government Act 2003 brought about a new borrowing system for local authorities known as the Prudential Code (the Code). This gives to Councils much greater freedom and flexibility to borrow without government consent so long as they can afford to repay the amount borrowed.
- 1.2 The aim of the Code is to support local authorities when making capital investment decisions. These decisions should also be in line with the objectives and priorities as set out in the Council's Corporate Plan.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable, or if appropriate to demonstrate that they may not be. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. These objectives are consistent with and support local strategic planning, local asset management planning and proper option appraisal. They also encourage sound treasury management decisions.

2. Prudential Indicators

- 2.1 To demonstrate that the Council has fulfilled these objectives, the Code sets out indicators that must be used. It is for the Council itself to set any indicative limits or ratios. It is also important to note that these indicators are not designed to be comparative performance figures indicators but to support and record the Council's decision-making process.
- 2.2 The final performance indicators for the current year, as compared to those reported in during the budget cycle are set out below. The compilation and monitoring of these indicators is central to the operation of the Code.

3 Supported and Unsupported (or Prudential) Borrowing

- 3.1 Local authorities have always funded a substantial element of their capital programme via borrowing. This continues to be the case but until the introduction of the Prudential Code any local authority borrowing was essentially based upon a government 'permission to borrow'. This was deemed to be supported borrowing as credit limits were supported through funding from Revenue Support Grant. Following the introduction of the Prudential Code in 2003, the permission to borrow was essentially withdrawn and Councils were given greater freedom to borrow so long as they can demonstrate that the revenue

consequences of such borrowing (i.e. the cost of the debt) are sustainable, affordable and prudent in the medium to long term.

	2019/20 Provisional Outturn £	2019/20 Revised Estimate £
(i) Capital Expenditure	8,111,029	10,689,700
(ii) Financing Costs		
Interest Payable - Re Borrowing	1,452,538	2,021,700
Minimum Revenue Provision	21,000	21,000
Investment Income	(442,073)	(442,900)
Total Financing Costs	1,031,465	1,599,800
(iii) Net Revenue Stream		
Funding from Govt Grants/Local Taxpayers	14,219,185	13,743,600
(iv) Ratio of Financing Costs to Net Revenue Stream	7.25%	11.64%
The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.		
(v) Incremental Impact on Council Tax	0.62	0.62
This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.		
(vi) Authorised Borrowing Limit	44,100,000	44,100,000
Maximum Level of Borrowing and Other Long term Liabilities	28,775,300	28,775,300
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

	2019/20 Provisional Outturn £	2019/20 Revised Estimate £
(vii) Operational Borrowing Limit	39,100,000	39,100,000
Maximum Level of Borrowing and Other Long term Liabilities	28,775,300	28,775,300
The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.		
(viii) Capital Financing Requirement (CFR)	14,483,857	29,231,000
As at 31 March		
The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.		

(a) Prudence and Sustainability

	2019/20 £
(i) Target New Borrowing to Date	18,000,000
Long Term Borrowing taken in 2019/20	14,000,000
(ii) Target Percentage of Fixed Rate Long Term Borrowing	100%
Actual as at 31 March 2020	100%
(iii) Target Percentage of Variable Rate Long Term Borrowing	100%
Actual as at 31 March 2020	0%
Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	
(iv) Target Minimum Level of Investments Classified as Specified	50.00%
Actual Level of Specified Investments as at 31 March 2020	100.00%
As part of the Investment Strategy for 2019/20, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	

TREASURY TRANSACTIONS
1 JANUARY 2020 TO 31 MARCH 2020

1. LOANS (DEBT)1.1 Transactions 1 January 2020 to 31 March 2020

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0	112,500	1.80
P.W.L.B	0	0	125,000	1.33
Short Term Loans	0	0	0	0
Overnight Borrowing	0	0	0	0
	0		237,500	

This provides a summary of loans that have been raised or repaid, analysed by type, since the previous report.

1.2 Loans (Debt) Outstanding at 31 March 2020

	£
City of Carlisle Stock Issue	15,000,000
P.W.L.B	13,762,500
Short Term Loans	12,800
	28,775,300

1.3 Loans Due for Repayment

	Stock Issue £	PWLB £	Total £
Short Term Debt at 31 March 2020	15,000,000	475,000	15,475,000
			15,475,000

Shown here is a calendar of future loan repayments which can be a useful aid to cash flow management. The City Council paid off the £15 million stock issue in May 2020.

1.4 Interest Rates

Link Asset Services do not forecast any future rate change for 24 months up to March 2022.

2. INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	26,940,000	1.10-0.10	37,740,000	1.25-0.10
	26,940,000		37,740,000	

A full schedule of investment transactions is set out in **Appendix B2**. **Appendix B3** shows outstanding investments at 31 March 2020.

3. REVENUES COLLECTED

	Collected £	% of Amount Collectable %
Council Tax	62,143,990	97.12
NNDR	43,138,152	97.38
2019/20	105,282,142	97.22
Council Tax	58,790,993	97.36
NNDR	43,904,416	98.42
2018/19	102,695,410	97.80
Council Tax	55,759,579	97.57
NNDR	43,478,923	97.83
2017/18	99,238,503	97.68

Final collection levels were very similar to those of the previous two years.

4. BANK BALANCE

At 31 March 2020 the bank balance was £1,014,214.09 in credit.

This simply records the Council's bank balance at the end of the last day covered by the report.

5. OUTTURN ON TREASURY MANAGEMENT IN 2019/20

	Revised Estimate £000	Actual £000	Variance £000
Interest Receivable	(443)	(442)	1
Interest Payable	2,022	1,453	(569)
Less Rechargeable	(18)	(7)	11
	2,004	1,446	(558)
Principal Repaid	21	21	0
Debt Management	13	18	5
NET BALANCE	1,595	1,043	(552)

INVESTMENT TRANSACTIONS 1 JANUARY 2020 TO 31 MARCH 2020

INVESTMENTS MADE		INVESTMENTS REPAID	
	£		£
Federated Investors	1,800,000.00	HSBC	700,000.00
HSBC	700,000.00	HSBC	250,000.00
Svenska	3,900,000.00	HSBC	1,000,000.00
Federated Investors	100,000.00	Svenska	320,000.00
Bank of Scotland	1,000,000.00	Bank of Scotland	1,000,000.00
HSBC	550,000.00	HSBC	100,000.00
HSBC	700,000.00	HSBC	650,000.00
Bank of Scotland	1,000,000.00	HSBC	250,000.00
HSBC	330,000.00	Svenska	3,400,000.00
HSBC	670,000.00	Goldman Sachs	1,000,000.00
Svenska	990,000.00	Svenska	270,000.00
Svenska	430,000.00	Svenska	820,000.00
Svenska	3,390,000.00	HSBC	2,000,000.00
HSBC	630,000.00	HSBC	630,000.00
HSBC	400,000.00	Bank of Scotland	2,000,000.00
Svenska	1,850,000.00	HSBC	400,000.00
HSBC	750,000.00	Svenska	1,400,000.00
HSBC	250,000.00	Federated Investors	400,000.00
Svenska	3,200,000.00	Svenska	2,150,000.00
HSBC	900,000.00	Goldman Sachs	2,000,000.00
Svenska	3,400,000.00	HSBC	470,000.00
		Federated Investors	100,000.00
		HSBC	530,000.00
		Goldman Sachs	2,000,000.00
		Svenska	3,200,000.00
		HSBC	900,000.00
		Federated Investors	500,000.00
		Santander	1,000,000.00
		Goldman Sachs	2,000,000.00
		Santander	1,000,000.00
		Federated Investors	3,000,000.00
		Svenska	2,300,000.00
TOTAL	26,940,000		37,740,000
		Bfwd	40,586,482
		Paid	26,940,000
		Repaid	37,740,000
		CCLAdecrease	- 73,487
		Total	29,712,995

Outstanding Investments as at 31 March 2020

Appendix B3

Category	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Current Days to Maturity	Days to maturity at execution	Total Interest Expected (£)
	Handelsbanken PLC	3,400,000	0.70%		Call1			0
	Goldman Sachs International Bank	1,000,000	0.96%	21/10/2019	20/04/2020	20	182	4,787
	Goldman Sachs International Bank	1,000,000	0.95%	25/10/2019	24/04/2020	24	182	4,737
	HSBC UK Bank PLC	5,000,000	0.90%		Call31			0
	HSBC UK Bank PLC	2,000,000	0.90%		Call31			0
	Santander UK plc	1,000,000	1.00%	18/11/2019	15/05/2020	45	179	4,904
	Bank of Scotland PLC	2,000,000	1.10%	11/09/2019	04/08/2020	126	328	19,770
	Bank of Scotland PLC	2,000,000	1.10%	01/11/2019	04/09/2020	157	308	18,564
	Santander UK plc	2,000,000	1.00%		Call31			0
	Santander UK plc	3,000,000	1.00%		Call31			0
	Bank of Scotland PLC	2,000,000	1.10%	05/11/2019	05/11/2020	219	366	22,060
	Bank of Scotland PLC	1,000,000	1.10%	07/01/2020	18/12/2020	262	346	10,427
	Bank of Scotland PLC	1,000,000	1.10%	20/01/2020	18/12/2020	262	333	10,036
	Total Investments	£26,400,000	0.96%			139	278	£95,285

Borrower	Current Market Value (£)	Current Yield	Start Date	Initial Investment (£)	Entry Cost (£) ¹	Initial Market Value (£)	Unrealised Growth (£)
CCLA Property Fund	3,312,995	4.41%	31/07/2014	3,000,000	(163,107)	2,836,893	312,995

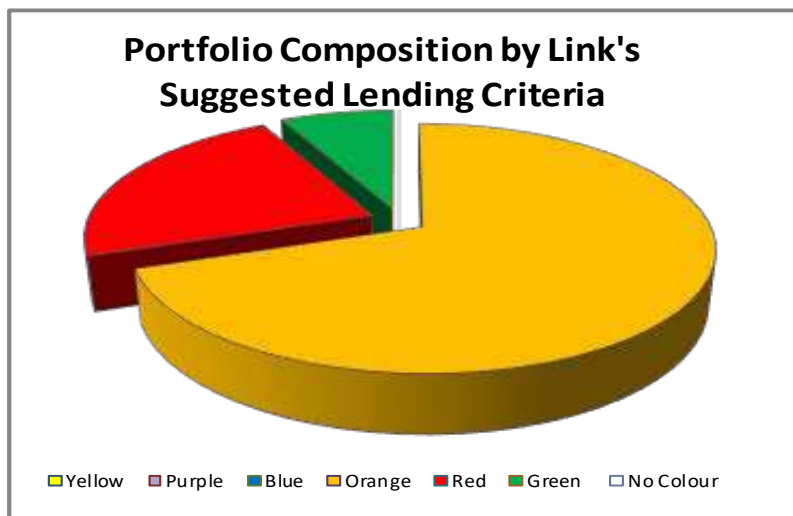
1. Entry Costs were charged against Treasury Management Budget in 2014/15

N.B Interest is recognised in the appropriate financial year in which it is due. The category colour represents the duration of investment recommended by Link Asset Services, the Council's Treasury Advisors. Those investments with No colour, are still within the Council's investment Strategy and are therefore deemed suitable for investing.

Investments Summary Sheet

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	Weighted Average Rate of Return WARoR	Weighted Average Days to Maturity WAM	Weighted Average Days to Maturity from Execution WAM at Execution
Yellow	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Orange	69.70%	18,400,000	56.52%	10,400,000	39.39%	0.95%	95	158
Red	22.73%	6,000,000	83.33%	5,000,000	18.94%	1.00%	158	180
Green	7.57%	2,000,000	0.00%	-	0.00%	0.96%	22	182
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
	100.00%	26,400,000	58.33%	15,400,000	58.33%	0.96%	104	165

Weighted Average Risk				
Risk Score for Colour (1 = Low, 7 = High)	Mar 2020	Dec 2019	Sep 2019	Jun 2019
1	0.0	0.1	0.0	0.1
2	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0
4	2.8	1.9	2.1	1.1
5	1.1	2.3	2.3	3.0
6	0.5	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0
	3.9	4.3	4.4	4.2



	Link's Suggested Criteria
Y	Up to 5 Years
P	Up to 2 Years
B	Up to 1 Year
O	Up to 1 Year
R	Up to 6 months
G	Up to 3 months
N/C	No Colour

Normal' Risk Score	Mar 2020	Dec 2019	Sep 2019	Jun 2019
	3.5	3.5	3.5	3.5

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 22 JUNE 2020

EX.56/20 **TREASURY MANAGEMENT OUTTURN 2019/20
(Key Decision – KD.05/20)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.03/20 providing the annual report on Treasury Management, as required under both the Financial Procedure Rules and the CIPFA Code of Practice on Treasury Management. Also included was the regular report on Treasury Transactions for the period 1 January 2020 to 31 March 2020.

The Deputy Leader commented, in particular, upon the £15m Stock Issue loan taken out in 1995 and in relation to which the authority had paid approximately £32m in interest. The stock issue had since been fully repaid in May 2020, meaning that it would not constitute a burden on our children and grandchildren.

The Deputy Leader concluded his presentation by moving the recommendation set out.

The Leader concurred with the sentiments expressed and duly seconded the recommendation.

Summary of options rejected that the report should not be recommended to Council
for approval

DECISION

That Report RD.03/20 be received and recommended to the City Council for approval on 14 July 2020.

Reasons for Decision

To receive the annual report on Treasury Management